

CENTEX HOMES

April 6, 2006

Ms. Amy Whitling, President
Del Rey Neighborhood Association
Albuquerque, NM

5120 Masthead NE
Albuquerque, NM 87109

Phone: 505-761-9606
Fax: 505-761-9850

Re: Centex Letter of Intent Concerning Del Rey

Dear Ms. Whitling:

This letter is written to memorialize the discussions between representatives of Centex and representatives of the Del Rey Neighborhood Association ("DRNA") over the past several weeks concerning the future of the Del Rey Mobile Home Park ("the Property"). Also, this letter is intended as a statement of Centex's good faith intentions concerning the Property and the tenants residing on the Property, assuming certain conditions are met.

Centex does not presently own the Property. In fact, Centex is the contract purchaser of the Property; the owner is Equity LifeStyles ("ELS"). Their agreement (the "Purchase Agreement") sets out the terms of the Centex purchase. As the present owner of the Property, ELS has contracts with the current remaining residents of the Property. As you and the other Del Rey residents are aware, ELS has announced its intention to close the Property as a mobile home park, and has instructed tenants to vacate the Property in preparation for new ownership. In connection with the vacation of the Property, ELS has given tenants relocation assistance including cash, new site arrangement assistance, and reimbursement of moving costs ("ELS Tenant Relocation Package").

ELS's attempts to close the Property as a mobile home park have been opposed by the Del Rey residents, and by the City Council of the City of Albuquerque. At this time, ELS, the City, and the Del Rey residents are in litigation, with the parties making various contentions about their respective positions. Centex is not a party to the litigation, nor does it intend to become one.

Centex intends to acquire the Property from ELS in accordance with the Purchase Agreement. Several essential conditions must precede Centex's ability to realize its intended goals in the purchase and redevelopment of the Property, including its good faith intentions concerning the Del Rey residents. We have discussed these conditions with you and other DRNA Board members over the last several weeks, and you are aware of them. These conditions are the following:

1. **With Respect to ELS and Centex:**
 - A. Centex and ELS must agree on, and execute, a proposed amendment to the Purchase Agreement concerning the Property.

- B. Centex and ELS must continue to perform their respective obligations pursuant to the Purchase Agreement, as amended.
 - C. Centex must successfully close on the acquisition of the Property from ELS pursuant to the Purchase Agreement.
2. **With Respect to Centex and the City of Albuquerque:**
- A. Centex and the City of Albuquerque must be successful in executing an appropriate development agreement, including, but not limited to, incentives for Centex concerning infill development, impact fee waivers, density bonuses, and affordable housing incentives.
 - B. The City of Albuquerque must adopt appropriate amendments to the Del Rey Metropolitan Redevelopment Area legislation specifying, among other things, that the affordable housing requirement in the redevelopment area is the exact number of existing Del Rey tenants who will be offered homesites for sale in the mobile home relocation area along Derickson Street.
 - C. The City of Albuquerque must successfully adopt legislation constituting the Del Rey Metropolitan Redevelopment Plan, which Plan is in alignment with the proposed Centex redevelopment of the site.
 - D. The City of Albuquerque, including its Environmental Planning Commission (“EPC”) and any other required approval agencies must approve Centex’s proposed site development plan and zoning for the Property without unacceptable findings or conditions. The time for appeal of the City’s approval of the proposed Centex site development plan and zoning must have expired without an appeal having been filed.
3. **With Respect to Centex and the Del Rey residents and DRNA:**
- A. Centex and the DRNA, including the Del Rey residents, must successfully conclude their on-going discussions concerning the relocation of Del Rey residents to the Derickson Street property.
 - B. The DRNA and the Del Rey residents, commit to fully support the proposed site plan, zoning, development agreement, and Metropolitan Redevelopment Plan. The DRNA will communicate its support of these plans, in being physically present, and in oral presentations, to the government of the City of Albuquerque, including, but not limited to, the City Council and administrative agencies.
 - C. Neither the DRNA, nor any other party may appeal or otherwise challenge the passage or adoption of any of the items set forth in items 2. A, B, C, or D.

Assuming that all the foregoing conditions have been met, and subject to the successful completion of the on-going planning meetings and discussions with Del Rey residents, Centex intends to offer the Del Rey residents who remain on the Property the following:

1. Centex will design and submit for approval a residential subdivision of site built homes, which will create a limited number of lots suitable for the placement of manufactured homes along the Derickson Street boundary of the Property.
2. Existing Del Rey residents, who have not accepted an ELS Tenant Relocation Package or otherwise vacated the Property, shall be provided with an opportunity to purchase from Centex a fee simple interest in one manufactured home lot on Derickson for a personal, owner occupied residence (such individual person is called a "Derickson Lot Purchaser").
3. The manufactured home lots on Derickson ("Derickson Lots" or individual lot "Derickson Lot") will be rectangular in shape, and will be configured as shown in the proposed design enclosed with this letter as Exhibit A.
4. The Derickson Lots shall each be of a size and configuration that a site built home may be constructed on any lot. It is Centex's expectation that the City of Albuquerque will approve the Derickson Lots for placement of manufactured homes, and will not prohibit the construction of a site built home on any Derickson Lot, should the Derickson Lot Purchaser choose to do so.
5. The Derickson Lots will each be not smaller than forty five feet (45') wide by one hundred six feet (106') deep. Two Derickson Lots, on the east and west ends of the Derickson Lots development, will be slightly larger corner lots ("Derickson Corner Lots"). Lot sizes may vary depending upon final plat approval.
6. Each Derickson Lot and Derickson Corner Lot will be fully served by the following permanent utility fixtures: water, sewer, electric, gas, and telephone. Additionally, Centex shall provide to each Derickson Lot and each Derickson Corner Lot an allowance of up to Five Thousand Dollars (\$5,000.00) per lot for construction of the following improvements: a concrete pad, a concrete or asphalt driveway, and a side yard fence.
7. The purchase price of each Derickson Lot shall be \$48,000. The purchase price of the Derickson Corner Lots shall be \$52,000. (In the event the final plat contains lots of different sizes, the lot prices will be adjusted accordingly)
8. A Derickson Lot Purchaser, as defined above, may enter into a purchase agreement with Centex for the purchase of a Derickson Lot or a Derickson Corner Lot.
9. Centex will offer any and all Derickson Lot Purchasers, as part of a purchase agreement for a Derickson Lot, a financial package to include financing of the entire purchase price with no down payment, no credit qualifying, no financing costs, and no prepayment penalties. The financial package offered by Centex will be offered and secured with, at the purchaser's choice, either a standard form New Mexico Real Estate Contract, a note and mortgage, or a note and deed of trust.
10. The financial package offered by Centex will be calculated such that the monthly payments of principal and interest of a Derickson Lot for any Derickson Lot Purchaser shall not exceed Four Hundred Dollars (\$400.00). This monthly payment amount does not include taxes, insurance, utilities, or

mobile home payments, if any, which are the sole responsibility of each Derickson Lot Purchaser. It is anticipated that the term of each New Mexico Real Estate Contract will be approximately 20 years (25 years for corner lots), and the interest rate payable will not be in excess of 8%.

11. Any Derickson Lot Purchaser may, at their option, pay the purchase price at closing, and obtain alternative financing with any individual or entity, and may secure any debt with the placement of a mortgage or deed of trust on their individual Derickson Lot.
12. For each Derickson Lot Purchaser desiring to move their existing manufactured home onto their Derickson Lot, Centex will pay the reasonable costs of moving the existing manufactured home to the new Derickson Lot. Centex shall hire a moving company skilled and experienced at the relocation of manufactured houses, in consultation with, and with the approval of, the DRNA. Such moving company is referred to herein as the "Selected Moving Company". Centex shall require the Selected Moving Company to secure and keep in force such liability insurance as will reasonably protect Centex and any residents from acts of gross negligence or intentional misconduct. Such reasonable costs of moving an existing manufactured home shall include: physically moving the manufactured home to its new location, disconnecting and reconnecting utilities (water, sewer, electric, gas, and telephone, but not internet, cable, or dish TV), removing and reinstalling existing skirting, decks, ramps, stairs, and cooling systems. Payment of costs will include all interim moves required by the redevelopment for those who have to be moved more than once.
13. Centex or any of its contractors, including the Selected Moving Company, shall not be responsible or liable for damage or injury to any manufactured home or its contents related to its relocation to a Derickson Lot or any interim moves, unless it is shown that Centex or its contractor has acted with gross negligence. In the event that Centex or its contractor, in its or their sole discretion, deems that an existing manufactured home or other personal property is in such a condition or state of repair that it cannot be successfully relocated, the Derickson Lot Purchaser will be solely responsible for making other housing arrangements to remove the unit from the Property.

Centex appreciates the time and energy invested in this project by your Neighborhood Association and the Del Rey residents. We believe that the foregoing set of Centex's intended outcomes represents an extraordinary opportunity to the existing residents of the Del Rey Mobile Home Park. You and your neighbors have already experienced the uncertainty and lack of control which comes with having a mobile home on a month-to-month rented lot; Centex's proposed plan, for those who choose to become Derickson Lot Purchasers, will end, perhaps forever, that experience of uncertainty and lack of control. Additionally, it will provide those purchasers with immediate equity in land, which will represent a significant asset in their personal financial portfolio. Finally, it will provide purchasers with the options of living in their existing home on a new lot, trading their existing home for another manufactured home, or constructing a site-built home on their new lot.

This letter represents a letter of intent by Centex, and should not be construed as a contract with DRNA or with any individual Del Rey resident. If the terms and conditions of this letter are met, Centex will enter into individual contracts for the purchase of Derickson Lots with individual owners. These contracts will contain the terms and conditions set forth in this letter of intent.

Please contact me if you have any questions about the foregoing expression of Centex's intent regarding the Del Rey Property. We look forward to our continued work together to our mutual benefit. Best personal regards.

Sincerely,

CENTEX HOMES

A handwritten signature in black ink, appearing to read 'R. Prewitt', with a long horizontal flourish extending to the right.

Robert Prewitt
Vice President

Cc: Melanie Carver, Legal Aid
Doug Chaplin, City of Albuquerque
Gerald Hartmann, City of Albuquerque
Ed Adams, City of Albuquerque
Lou Colombo, City of Albuquerque